Progress on Preparing Georgia's Statewide Strategic Transportation Plan

October 15, 2009

I. Introduction

Governments across the United States and around the world are exploring transportation infrastructure investments as a way to stimulate their economies and enhance economic competitiveness. However, assuring that higher investment in transportation results in effective outcomes requires robust analysis and deliberate decisions. In order to capture economic opportunities and keep pace with its competitors, Georgia must ensure that it gets the most out of every dollar it invests in transportation, explicitly answering questions like "how will these investments improve mobility and quality of life?" and "how will these investments improve our ability to compete for growth and jobs?" Statewide plans on record have not previously attempted to answer these questions nor have they led to investments that assure the results Georgia's citizens and business expect from their transportation system.

Thus, one of the primary goals of Senate Bill 200 is to enact a fundamentally improved approach to decisions about investing taxpayer dollars. To accomplish this, the new law specifically requires the completion of drafts of two primary planning documents by the end of calendar year 2009:

1) A fiscally constrained long-term transportation investment strategy and business case that links investing in transportation to key outcomes on the state transportation network based upon prescribed investment policies. This will be delivered in the form of the State-wide Strategic Transportation Plan (SSTP), as defined in Code Section 32-2-22(a)(6).

2) A list of projects that are expected to enter construction over the next four years.

Senate Bill 200 also prescribed the completion and distribution of a progress report on these two primary deliverables by October 15, 2009. This document constitutes that report.

II. Overview of Progress to Date

The work to produce the first deliverable (long-term investment strategy and business case) is on an accelerated schedule. Since the creation of the new Director of Planning position within the Georgia Department of Transportation (GDOT) following the passage of SB 200 earlier this year, GDOT has been working in concert with other transportation planning partners around the state. The effort now underway began with customer-driven outcomes, is investigating the most cost-effective way of achieving them, and will put forward a compelling business case for investment. The resulting plan will demonstrate how the strategy will improve key outcomes for Georgia and will consider the investment principles as described in the following section, which will be proposed for consideration during appropriations and resource discussions during the next legislative session.

The second deliverable will effectively be the construction elements of the 2010-13 Statewide Transportation Improvement Program (STIP), the federally-mandated, fiscally-constrained four-year transportation spending plan. Per direction by FHWA this summer, GDOT was mandated to deliver an updated STIP document this fall. Considering the aggressive timeline necessary to comply with this federal requirement, the Department had to rely on prior commitments and the recently completed

Project Prioritization effort to guide its decisions. Because the STIP was completed earlier this year, it is not an accurate reflection of the long-term investment strategy currently being developed. Clearly, this is not ideal because it means this year's project list may not necessarily result in the improved outcomes that will be described in the business case. For developing the next STIP and subsequent four-year project list, the long-term investment strategy and business case will be used as a framework. This will allow Georgia to be confident that its money is being invested in the best possible projects that yield the highest achievable impact on the outcomes described below, including improved mobility, jobs, and economic growth.

III. Approach to Developing the SSTP: Georgia's Long-Term Investment Strategy

Like most of the United States, Georgia has been hit hard by the economic downturn, and our future prosperity is at risk. Thus, the topic of transportation investment for long-term economic growth and competitiveness is timely and pertinent. The case is clear: Georgia must be sure that every dollar is invested as wisely as possible, with an eye toward stimulating economic growth and competitiveness that accelerates and sustains our state's economic recovery. Georgia's previous infrastructure decisions are the best case studies of the linkage of transportation to economic outcomes. Our transportation infrastructure assets---the Port of Savannah, Hartsfield-Jackson Atlanta International Airport, extensive Interstate network (6,598 lane miles), and Class 1 freight rail---have been critical to attracting new major employers to the state and making existing companies more productive and efficient. One indicator of this success is how highly Georgia consistently ranks in national assessments. This year, CNBC ranked Georgia 10th best state for business, partly because the scoring included grading of transportation networks, of which, Georgia's transportation infrastructure ranked #3 nationwide.

However, just as population and GDP were surging, Georgia's investment posture began to resemble a company that was pursuing a "harvest" strategy. Our historical analysis and peer review indicates that for the last 10 –20 years Georgia has underinvested in its transportation assets, especially relative to GDP growth. Today, state and local governments in Georgia combined invest only $380 per person (excluding bonds) in transportation, which is the 2nd lowest in the U.S. (about 45% less than the statewide average). At the same time, our competitors such as Florida, Virginia, Texas, and North Carolina have raised their commitment to transportation infrastructure and are aggressively pursuing jobs that have traditionally come to Georgia. These states invest more, both with higher motor fuel taxes (Georgia's 13.4 cents per gallon is the second lowest gasoline tax rate in the country, with 7.5 cents-per-gallon state excise tax plus 5.9 cents-per-gallon from the 3% Prepaid Sales Tax) and also by drawing on additional sources of revenue such as tolls, toll credits, sales taxes, license and tag fees, etc.

Of course, the goal is such that ALL Georgia's citizens and businesses share in this high quality of life and prosperity. Our approach to the long-term investment strategy recognizes this, and the steps we are following are the steps for building a classic "business case:"

- ***Set goals and objectives for transportation based on what is important to our "customers" (the citizens and businesses that use and depend on our transportation network)***
- ***Measure how successful Georgia has been at delivering those goals and what performance it needs to stay ahead of competitors***

- ***Develop strategies that achieve those outcomes cost-effectively, while also delivering outstanding returns to Georgia's "shareholders" (the taxpayers)***
- ***Propose various investment levels necessary in all modes to purchase transportation outcomes, as well as options to resource those investments for elected officials to consider when crafting legislation***

IV. Georgia's Current Performance and Investment Goals & Objectives

The process of developing goals and objectives for the Statewide Transportation plan actually began last year, with the launch of Governor Perdue's initiative: Investing in Tomorrow's Transportation (IT3). IT3 used a collaborative and inclusive process to develop a set of transportation goals and objectives. The process started with a customer perspective. Key questions we asked included: What do our citizens expect from their transportation network? What do their employers require to be competitive? How do potential employers thinking of locating to Georgia evaluate our transportation network? What are the needs of freight haulers and shippers? Once we had this customer perspective (which came from listening tours and targeted interviews with stakeholders across the state), we integrated it with best practices observed in other states, as well as other parts of the world. The result is four goals and eight supporting objectives, which are consistent with the new investment policies required in Code Section 32-2-41.1(a). The table below defines these four goals and affiliated objectives, along with how well the state's transportation network performs for each.

Goal	Objective	Performance
1.Supporting Georgia's economic growth and competitiveness	Improved access to jobs which encourages growth in private-sector employment and work force	From 1997-2007, Georgia ranked 17th in job creation growth and 23rd in GDP growth. However, in the last month, Georgia's unemployment rate has edged up to be slightly above the national average. And in Atlanta, our largest metro area, access to jobs (or, from an employer perspective, access to talent) is still limited during peak periods: the number of workers that can reach a major employment center in Metro Atlanta in 30-45 minutes shrinks by 65% during rush hour.
	Reduction in traffic congestion costs	Atlanta's annual congestion cost per peak traveler of $1,247 ranks above Dallas, Charlotte, Tampa, and other comparable cities. This is largely because citizens in Atlanta travel further during rush hour than citizens in other places. Other cities and towns across Georgia currently have significantly less congestion, though they will need continued investment to preserve the quality of life they enjoy today.
	Improved efficiency and reliability of commutes in major metropolitan areas	Georgia ranks 46th nationally in length of commute (27 minutes), with 12% of commutes taking greater than 60 minutes. Reliability in Metro Atlanta is particularly inadequate as transit options only serve a limited area and reliable road options such as HOT lanes and other types of variable-priced, managed lanes do not exist.

Goal	Objective	Performance
	Efficiency and reliability of freight, cargo, and goods movement	Though our ability to offer competitive travel times to key customer markets and suppliers has allowed the Port of Savannah to become one of the fastest growing ports in the United States and has attracted several new high-profile employers, our competitors are investing very aggressively in an attempt to catch up. Meanwhile, Georgia has not made any investments in new limited access facilities since I-675 was constructed in the 1980s, and it is unlikely that we can fund substantial widening of the existing Interstates without the help of private investment. Statewide freight demand is growing and bottlenecks near the Port of Savannah, along I-75 (north of Macon), along the western wall of I-285, and in other parts of the state are already apparent.
	Border to Border and interregional connectivity	Georgia's GRIP network currently enables nearly 70% of its citizens outside of metro Atlanta to reach a regional employment center in less than 30 minutes and goes a long way to meeting this connectivity goal for freight across this state. With limited resources, the state must be strategic in how the GRIP network is completed and improved.
	Support for local connectivity to statewide transportation network	Ensuring local connectivity to our state system is vital for economic growth and competiveness for all communities. It should be noted that local governments own 85 percent of the public roads in Georgia, which carry about 36 percent of Georgia's vehicle-miles traveled.
2. Ensuring safety and security	Reduction in crashes resulting in injury and loss of life	Georgia ranks 28th nationally in fatality rate and outperforms other Southeastern states on this metric. Public crossing accidents have fallen by 91% since 1974. However, Georgia aspires to be better than "middle of the pack" nationally, and fatality rates in rural areas are particularly high.
3. Maximizing the value of Georgia's transportation assets, getting the most out of the existing network	Optimized capital asset management	Georgia has "best-in-class" road conditions in comparison to the rest of the U.S., ranking 1st nationally. Georgia also ranks 10th in bridge conditions, with only 7% of bridges rated structurally deficient. However, constrained resources will likely threaten Georgia's ability to sustain the superiority of our current roadway conditions. Additionally, under current resource regimes, local governments will be challenged in their ability to maintain and operate their valuable transit assets.

Goal	Objective	Performance
4. Minimize impact on the environment	Reduce emissions, improve air quality statewide, and limit our footprint	The Department has historically taken great care of following all applicable environmental laws when developing projects and operating the transportation system. With the passage of the next federal transportation bill, we fully expect that there will be several new requirements concerning greenhouse gas emission reduction.

In addition to these goals and objectives, SB 200 also included two investment policies that will ultimately be addressed in the draft and final versions of the Statewide Strategic Transportation Plan: "market-driven travel demand management" and "coordination of transportation investment with development patterns". In particular, the plan will describe how these policies can impact the goals and objectives, including assessment of programs such as managed lanes.

V. Path Forward

We are currently developing an investment strategy that will yield the most impact against these objectives that are possible with various levels of resources. This will be done by testing a variety of alternative program types against each other, i.e. capacity, transit, commuter rail, BRT, etc. The investment strategy we present on December 31, 2009 will discuss these performance gaps in more detail and articulate what performance level we actually need to achieve to be competitive with other states. It will also discuss what strategies or "investment targets" we ought to have for different programs to make sure we achieve those outcomes. For example, how much should we invest in arterial roads vs. interstates, vs. transit in different parts of the state? How much of our investments should focus on freight and economic development highways versus people mobility and congestion? These are all important questions. The most likely conclusion of the analysis currently underway is that achieving a majority of our goals will not be possible considering the demands on our existing resources. We will lay this out clearly, showing which investment strategies perform best to inform Georgia's decisions about which meets desired performance targets.

Our business case will also include an assessment of the impact that additional resources would have on Georgia's ability to meet its transportation goals and bring about the next necessary transportation investments to assure future economic prosperity that mimics our past success. For example, Georgia's transportation investments are roughly half the national average and far less than its peers. What would be the impact on economic growth, job creation, congestion, and trip reliability of closing that gap? And what new programs could Georgia invest in if it had access to additional, more flexible resources? Finally, as required by SB 200, the investment strategy will also show the impact of different policy options on these outcomes and how they can make any dollar amount of investment go further.

We are confident the strategy we submit will make a compelling business case for wise investment in Georgia's transportation system, and we look forward to the submission of the draft version on December 31, 2009.